Introduced by Senators Scott and Alpert

(Coauthors: Assembly Members Daucher and Liu)

February 20, 2004

An act to amend Sections 70901, 70902, 71090, and 71092 of, to amend, repeal, and add Section 70901.5 of, and to repeal Section 71090.5 of, the Education Code, relating to higher education governance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1817, as introduced, Scott. Higher education governance: community colleges.

Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law authorizes the establishment of community college districts under the administration of local community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state.

This bill would generally recast and revise the statutes relating to the organization, mission, and responsibilities of the Board of Governors of the California Community Colleges, the Chancellor of the California Community Colleges, and community college district governing boards. Among other things, the bill would, until January 1, 2010, provide that the operation of a regulation proposed by the board of governors may be suspended by a vote of at least¹/₂ of the community college district governing boards in the state.

The bill would also authorize the board of governors, rather than the Commission on State Mandates, to review regulations affecting community college districts to determine whether these regulations SB 1817 - 2 –

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constitute reimbursable state mandates under the California Constitution.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 70901 of the Education Code is amended to read:

70901. (a) The Board of Governors of the California Community Colleges shall provide leadership and direction in the continuing development of the California Community Colleges as an integral and effective element in the structure of public higher education in the state. The work of the board of governors shall at all times be directed to maintaining and continuing, to the maximum degree permissible, local authority and control in the administration of the California Community Colleges districts and colleges.

- (b) Subject to, and in furtherance of, subdivision (a), and in consultation with community college districts and other interested parties as specified in subdivision (e), the board of governors shall provide general supervision over community college districts, 16 shall focus on maintaining and continuing the integrity of, and accessibility to, the system and on securing the resources needed 18 for the system to be responsible to the full range of community college student needs, and shall, in furtherance thereof, perform 20 the following functions:
 - (1) Establish minimum conditions for all districts to receive state support and to function within the system and minimum standards as required by law, including, but not necessarily limited to, all of the following:
 - (A) Minimum standards to govern student academic standards relating to graduation requirements and probation, dismissal, and readmission policies.
 - (B) Minimum standards for the employment of standards for academic and administrative staff in community colleges.
 - (C) Minimum standards for the formation of *new* community colleges and districts and the reorganization of existing community college districts, including the approval and disapproval of plans therefor.

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(D) Minimum standards for credit and noncredit classes.

- (E) Minimum standards governing procedures established by governing boards of community college districts to ensure faculty, staff, and students the right to participate effectively in district and college governance, and the opportunity to express their opinions at the campus level and to ensure that these opinions are given every reasonable consideration, and the right of academic senates to assume primary responsibility for making recommendations in the areas of curriculum and academic standards.
- (2) Evaluate and issue annual reports on the fiscal and educational effectiveness of community college districts according to outcome measures cooperatively developed with those districts, and provide assistance when districts encounter severe management difficulties.
- (3) Conduct necessary systemwide research on community colleges and provide appropriate information services, including, but not limited to, definitions for the purpose of uniform reporting, collection, compilation, and analysis of data for effective, planning and coordination, and dissemination of information.
- (4) Provide representation, advocacy, and accountability for the California Community Colleges before state and national legislative and executive agencies.
- (5) Administer state support programs, both operational and capital outlay, and those federally supported support programs. for which the board of governors has responsibility pursuant to state or federal law. In so doing, the board of governors shall do the following:
- (A) Annually prepare and adopt a proposed budget for the California Community Colleges. The proposed budget shall, at a minimum, identify the total revenue needs for serving educational needs within the mission, the amount to be expended for the state general apportionment, the amounts requested for various eategorical programs established by law, the amounts requested for new programs and budget improvements, and the amount requested for systemwide administration.

The proposed budget for the California Community Colleges shall be submitted to the Department of Finance in accordance with established timelines for development of the annual Budget Bill:

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(B) To the extent authorized by law, establish the method for determining and allocating the state general apportionment.

- (C) Establish space and utilization standards for facility planning in order to determine eligibility for state funds for construction purposes.
- (6) Establish minimum conditions entitling districts to receive state aid for support of community colleges. In so doing, the board of governors shall establish and carry out a periodic review of each community college district to determine whether it has met the minimum conditions prescribed by the board of governors.
- (7) Coordinate and encourage interdistrict, regional, and statewide development of community college programs, facilities, and services.
- (8) Facilitate articulation with other segments of higher education with secondary education.
- (9) Review and approve comprehensive plans for each community college district. The plans shall be submitted to the board of governors by the governing board of each community college district.

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- (6) Adopt a proposed system budget and allocation process. The proposed budget shall, at a minimum, include the student fee level deemed to be necessary by the board of governors.
- (7) In collaboration with the Trustees of the California State University, and the Regents of the University of California, and the faculty of each segment develop articulation and transfer processes so that students who so desire shall have clear pathways to transfer and degree obtainment.
- (8) Review and approve all educational programs of instruction that lead to certificates, degrees, or transfer eligibility. offered by community college districts, and all courses that are not offered as part of an educational program approved by the board of governors.
- (11) Exercise general supervision over the formation of new community college districts and the reorganization of existing community college districts, including the approval or disapproval of plans therefor.
- (12) Notwithstanding any other provision of law, be solely responsible for establishing, maintaining, revising, and updating,

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as necessary, the uniform budgeting and accounting structures and procedures for the California Community Colleges.

(13) Establish policies regarding interdistrict attendance of students.

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- (9) Advise and assist governing boards of community college districts on the implementation and interpretation of state and federal laws affecting community colleges.
- (15) Contract for the procurement of goods and services, as 10 necessary.

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- (10) Carry out other functions as expressly provided by law.
- (c) Subject to, and in furtherance of, subdivision (a), the board 14 of governors shall have full authority to adopt rules and regulations necessary and proper to execute the functions specified in this section as well as other functions that the board of governors is expressly authorized by statute to regulate.
 - (d) Wherever in this section or any other statute a power is vested in the board of governors, the board of governors, by a majority vote, may adopt a rule delegating that power to the chancellor, or any officer, employee, or committee of the California Community Colleges, or community college district, as the board of governors may designate. However, the board of governors shall not delegate any power that is expressly made nondelegable by statute. Any rule delegating authority shall prescribe the limits of delegation.
 - (e) In performing the functions specified in this section, the board of governors shall establish and carry out a process for consultation with institutional representatives of community college districts so as to ensure their participation in the development and review of policy proposals. The consultation process shall also afford community college organizations, as well as interested individuals and parties, an opportunity to review and comment on proposed policy before it is adopted by the board of governors.
- SEC. 2. Section 70901.5 of the Education Code is amended 36 37 to read:
- 38 70901.5. (a) The board of governors shall establish procedures for the adoption of rules and regulations governing the

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California Community Colleges. Among other matters, the procedures shall implement the following requirements:

- (1) Written notice of a proposed action shall be provided to each community college district and to all other interested parties and individuals, including the educational policy and fiscal committees of the Legislature and the Department of Finance, at least 45 days in advance of adoption. The regulations shall become effective no earlier than 30 45 days after adoption.
- (2) The proposed regulations shall be accompanied by an estimate, prepared in accordance with instructions adopted by the Department of Finance, a determination of the effect of the proposed regulations with regard to the costs or savings to any state agency, the cost of any state-mandated local program as governed by Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, any other costs or savings of local agencies, and the costs or savings in federal funding provided to state agencies. The board of governors shall use the consultation procedures established pursuant to subdivision (e) of Section 70901 in developing the determination, which shall be prepared in accordance with instructions adopted by the Department of Finance.
- (3) The board of governors shall ensure that all proposed regulations of the board meet the standards of "necessity," "authority," "clarity," "consistency," "reference," and "nonduplication," as those terms are defined in Section 11349 of the Government Code. A district governing board or any other interested party may challenge any proposed regulatory action regarding the application of these standards.
- (4) Prior to the adoption of regulations, the board of governors shall consider and respond to all written and oral comments received during the comment period.
- (5) The effective date for a regulation shall be suspended if, within 30 days after adoption by the board of governors, at least two-thirds of all governing boards vote, in open session, to disapprove the regulation. With respect to any regulation so disapproved *under this paragraph*, the board of governors shall provide at least 45 additional days for review, comment, and hearing, including at least one hearing before the board itself. After the additional period of review, comment, and hearing, the board may do any of the following:

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(A) Reject or withdraw the regulation.

- (B) Substantially amend the regulation to address the concerns raised during the additional review period, and then adopt the revised regulation. The regulation shall be treated as a newly adopted regulation, and shall go into effect in accordance with those procedures.
- (C) Readopt the regulation as originally adopted, or with those nonsubstantive, technical amendments deemed necessary to clarify the intent of the original regulation. This option cannot be exercised by the board of governors to overcome the disapproval of a regulation on the basis that it creates a new mandate that has not been funded. If the board of governors decides to readopt a regulation, with or without technical amendments, it shall also adopt a written declaration and determination regarding the specific state interests it has found necessary to protect by means of the specific language or requirements of the regulation. A readopted regulation may then be challenged pursuant to existing law in a court of competent jurisdiction, and shall not be subject to any further appeal within the California Community Colleges.
- (6) The effective date for a regulation shall be suspended if, within 45 days after adoption by the board of governors, at least one-half of all governing boards vote, in open session, to disapprove the regulation on the basis that it creates a new unfunded state mandate, adopt a written declaration specifying the mandated cost resulting from the proposed regulation, and notify the board of governors about these actions in writing. With respect to any regulation so disapproved under this paragraph, the board of governors shall provide at least 45 additional days for review, comment, and hearing, including at least one hearing before the board itself. After the additional period of review, comment, and hearing, the board may do either of the following:
 - (A) Reject or withdraw the regulation.
- (B) Substantially amend the regulation to address the concerns raised during the additional review period, and then adopt the revised regulation. The regulation shall be treated as a newly adopted regulation, and shall go into effect in accordance with those procedures.
- (7) It is the intent of the Legislature to appropriate in the annual Budget Act funds for the purpose of offsetting net cumulative costs of regulations adopted by the board pursuant to this division. The

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board may consider the net cumulative cost or savings to local districts of regulations proposed in a fiscal year. As to any regulation which that the Department of Finance board of governors determines would create a state-mandated local 5 program cost, the board of governors shall not adopt the regulation until the Department of Finance has certified to the board of governors and to the Legislature that a source of funds is available 8 to reimburse that cost.

(8) Pursuant to Section 6 of Article XIII B of the California 10 Constitution, a subvention of funds need not be provided for the following mandates: (A) mandates requested by the local agency affected; or (B) mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation 14 enacted prior to January 1, 1975. Notwithstanding Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of Title 16 2 of the Government Code, the action of the board of governors regarding regulations adopted pursuant to this section or pursuant 18 to these exceptions shall not be subject to review by the Commission on State Mandates. In exercising this responsibility, the board shall make its determinations in conformance with Section 17556 of the Government Code and in a manner consistent with the rules, standards, and precedential decisions of the Commission on State Mandates.

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- (9) Any district or other interested party may propose a new regulation or challenge any existing regulation.
- (b) Except as expressly provided by this section, and except as provided by resolution of the board of governors, the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to regulations adopted by the board of governors.
- (c) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date. SEC. 3. Section 70901.5 is added to the Education Code, to

36 read:

> 70901.5. (a) The board of governors shall establish procedures for the adoption of rules and regulations governing the California Community Colleges. Among other matters, the procedures shall implement the following requirements:

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(1) Written notice of a proposed action shall be provided to each community college district and to all other interested parties and individuals, including the educational policy and fiscal committees of the Legislature and the Department of Finance at least 45 days in advance. The regulations shall become effective no earlier than 45 days after adoption.

- (2) The proposed regulations shall be accompanied by a determination of the effect of the proposed regulations with regard to the costs or savings to any state agency, the cost of any state-mandated local program as governed by Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, or any other costs or savings of local agencies and the costs or savings in federal funding provided to state agencies. The board of governors shall use the consultation procedures established pursuant to subdivision (e) of Section 70901 in developing the determination, which shall be prepared in accordance with instructions adopted by the Department of Finance.
- (3) The board of governors shall ensure that all proposed regulations of the board meet the standards of "necessity," "authority," "clarity," "consistency," "reference," and "nonduplication," as those items are defined in Section 11349 of the Government Code. A district governing board or any other interested party may challenge any proposed regulatory action regarding the application of these standards.
- (4) Prior to the adoption of regulations, the board of governors shall consider and respond to all written and oral comments received during the comment period.
- (5) The effective date for a regulation shall be suspended if, within 30 days after adoption by the board of governors, at least two-thirds of all governing boards vote, in open session, to disapprove the regulation. With respect to any regulation so disapproved under this paragraph, the board of governors shall provide at least 45 additional days for review, comment, and hearing, including at least one hearing before the board itself. After the additional period of review, comment, and hearing, the board may do any of the following:
 - (A) Reject or withdraw the regulation.
- (B) Substantially amend the regulation to address the concerns raised during the additional review period, and then adopt the revised regulation. The regulation shall be treated as a newly

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adopted regulation, and shall go into effect in accordance with those procedures.

- (C) Readopt the regulation as originally adopted or with those nonsubstantive, technical amendments deemed necessary to clarify the intent of the original regulation. This option cannot be exercised by the board of governors to overcome the disapproval of a regulation on the basis that it creates a new mandate that has not been funded. If the board of governors decides to readopt a regulation, with or without technical amendments, it shall also adopt a written declaration and determination regarding the specific state interests it has found necessary to protect by means of the specific language or requirements of the regulation. A readopted regulation may then be challenged pursuant to existing law in a court of competent jurisdiction, and shall not be subject to any further appeal within the California Community Colleges.
- (6) It is the intent of the Legislature to appropriate in the annual Budget Act funds for the purpose of offsetting net cumulative costs of regulations adopted by the board pursuant to this division. The board may consider the net cumulative cost or savings to local districts of regulations proposed in a fiscal year. As to any regulation that the board of governors determines would create a state-mandated local program cost, the board of governors shall not adopt the regulation until the Department of Finance has certified to the board of governors and to the Legislature that a source of funds is available to reimburse that cost.
- (7) Pursuant to Section 6 of Article XIII B of the California Constitution, a subvention of funds need not be provided for the following mandates: (A) mandates requested by the local agency affected; or (B) mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975. Notwithstanding Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of Title 2 of the Government Code, the action of the board of governors regarding regulations adopted pursuant to this section or pursuant to these exceptions shall not be subject to review by the Commission on State Mandates. In exercising this responsibility, the board shall make its determinations in conformance with Section 17556 of the Government Code and in a manner consistent with the rules, standards, and precedential decisions of the Commission on State Mandates.

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- (8) Any district or other interested party may propose a new regulation or challenge any existing regulation.
- (b) Except as expressly provided by this section, and except as provided by resolution of the board of governors, the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to regulations adopted by the board of governors.
- (c) This section shall become operative on January 1, 2010. SEC. 4. Section 70902 of the Education Code is amended to read:
- 70902. (a) (1) Every community college district shall be under the control of a board of trustees, which is referred to herein as the "governing board." The governing board of each community college district shall establish, maintain, operate, and govern one or more community colleges in accordance with law. In so doing, the governing board may initiate and carry on any program, activity, or may otherwise act in any manner that is not in conflict with or inconsistent with, or preempted by, any law and that is not in conflict with the purposes for which community college districts are established.

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- (2) The governing board of each community college district shall establish rules and regulations not inconsistent with the regulations of the board of governors and the laws of this state for the government and operation of one or more community colleges in the district.
- (b) In furtherance of the provisions of subdivision (a), the governing board of each community college district shall do all of the following:
- (1) Establish policies for, and approve, current and long-range academic, *operations*, and facilities plans planning and programs and management to promote orderly growth and development of the community colleges within the district. In so doing, the governing board shall, as required by law, establish policies for, develop, and approve, comprehensive plans. The governing board shall submit the comprehensive plans to the board of governors for review and approval.
- (2) Establish policies for and approve courses of instruction and educational programs. The educational programs *leading to certificates, degrees, or transfer readiness* shall be submitted to the

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board of governors for approval. Courses of instruction that are not
offered in approved educational programs shall be submitted to the
board of governors for approval. The governing board shall
establish policies for, and approve, individual courses that are
offered in approved educational programs without referral to the
board of governors.

- (3) Establish academic standards, probation and dismissal and readmission policies, and graduation requirements not inconsistent with the minimum standards adopted by the board of governors.
- (4) Employ and assign all personnel not inconsistent with the minimum standards adopted by the board of governors and establish employment practices, salaries, and benefits for all employees not inconsistent with the laws of this state.
- (5) Adopt local district budgets, including the establishment of student fees as set by the board of governors as authorized by law.
- (6) To the extent authorized by law, determine and control the district's operational and capital outlay budgets. The district governing board shall determine the need for elections for override tax levies and bond measures and request that those elections be called.
- (6) Manage and control district property. The governing board may contract for the procurement of goods and services as authorized by law.
- (7) Oversee the procurement and management of the real and other property of the district.
- (8) Establish procedures not inconsistent with minimum standards established by the board of governors to ensure faculty, staff, and students the opportunity to express their opinions at the campus level and to ensure that these opinions are given every reasonable consideration, and the right to participate effectively in district and college governance, and the right of academic senates to assume primary responsibility for making recommendations in the areas of curriculum and academic standards.

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- (9) Establish rules and regulations governing student conduct.
- (9) Establish student fees as it is required to establish by law, and, in its discretion, fees as it is authorized to establish by law.
- (10) In its discretion, receive and administer gifts, grants, and scholarships.

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(11) Provide auxiliary services as deemed necessary to achieve the purposes of the community college.

- (12) Within the framework provided by law, determine the district's academic calendar, including the holidays it will observe.
- (13) Hold and convey property for the use and benefit of the district. The governing board may acquire by eminent domain any property necessary to carry out the powers or functions of the district.
- (14) Participate in the consultation process established by the board of governors for the development and review of policy proposals.
- (c) In carrying out the powers and duties specified in subdivision (b) or other provisions of statute, the governing board of each community college district shall have full authority to adopt rules and regulations, not inconsistent with the regulations of the board of governors and the laws of this state, that are necessary and proper to executing these prescribed functions.
- (d) Wherever, in this section or *in* any other statute, a power is vested in the governing board, the governing board of a community college district, by majority vote, may adopt a rule delegating the power to the district's chief executive officer or any other employee or committee as the governing board may designate; provided, however, that the governing board shall not delegate any power that is expressly made nondelegable by statute. Any rule delegating authority shall prescribe the limits of the delegation.
- SEC. 5. Section 71090 of the Education Code is amended to read:
- 71090. (a) The board shall appoint *and fix the compensation* of a chief executive officer, to be known as the Chancellor of the California Community Colleges, and fix his or her compensation.
- (b) The chancellor shall execute the duties and responsibilities as may be delegated to him or her by the board. Whenever in this code a power is vested in the board, the board, by a majority vote, may adopt a rule delegating that power to the chancellor or any officer, employee, or committee as the board may designate. The rule shall prescribe the limits of the delegation.
- (c) It is the intent of the Legislature to enact legislation granting authority to the board of governors to appoint up to six deputy and vice chancellors if and when an amendment to Section

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1 4 of Article VII of the California Constitution, authorizing these 2 appointments, is adopted. Until that time, the Governor, with the 3 recommendation of the board of governors, shall appoint up to six 4 deputy and vice chancellors, who shall be exempt from state civil 5 service. The appointments shall not exceed an aggregate total of 6 six, for both the positions of deputy and vice chancellor.

SEC. 6. Section 71090.5 of the Education Code is repealed. 71090.5. In addition to the position authorized by subdivision (e) of Section 4 of Article VII of the California Constitution, the Governor, with the recommendation of the board of governors, shall appoint up to six deputy and vice chancellors, who shall be exempt from state civil service. The appointments shall not exceed an aggregate total of six, for both the positions of deputy and vice chancellor.

SEC. 7. Section 71092 of the Education Code is amended to read:

71092. (a) The board of governors shall employ and fix the compensation, in accordance with law, of assistants, clerical, and other employees as it deems necessary for the effective conduct of the work of the board and the chancellor's office. The Legislature finds and declares that the California Community Colleges is a system of postsecondary education characterized by a bilateral governance structure with a state board and locally elected boards with defined responsibilities.

- (b) It is the policy of the state to compensate employees of the Board of Governors of the California Community Colleges at a level comparable to the total compensation paid to community college district employees performing approximately similar functions. Pursuant to this policy, the board of governors shall employ and fix the compensation, in accordance with law, of assistants, clerical, and other employees, including the managerial and professional employees that it appoints, as it deems necessary for the effective conduct of the work of the board and the chancellor's office. Pursuant to Section 19825 of the Government Code, the Legislature hereby provides that the approval of the Department of Personnel Administration is not required.
- (c) Pursuant to Section 19818.14 of the Government Code, the Department of Personnel Administration shall designate the board of governors to allocate positions to the Personnel

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- Classification Plan in accordance with Section 19818.6 of the 2 Government Code.
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- 4 (*d*) Notwithstanding Section 19849.5 of the Government Code, 5 the Board of Governors of the California Community Colleges
- shall designate the headquarters for each of its employees, except
- as provided in Section 71004.